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**MARSHAL-CITY COURT
OF LAFAYETTE, LOUISIANA**

**A COMPONENT UNIT OF
THE CITY/PARISH CONSOLIDATED GOVERNMENT
OF LAFAYETTE, LOUISIANA**

**FINANCIAL REPORT AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED OCTOBER 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4-26-06

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

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INDEPENDENT AUDITORS' REPORT

To the Marshal
City Court of Lafayette, Louisiana
Lafayette, Louisiana

We have audited the accompanying financial statements of the governmental activities, the major funds, and the aggregate remaining fund information of the Marshal, City Court of Lafayette, as of and for the year then ended October 31, 2005, which collectively comprise the Marshal's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Marshal, City Court of Lafayette's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the Marshal, City Court of Lafayette, as of October 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated January 24, 2006 on our consideration of the Marshal, City Court of Lafayette's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the

Circular 230 Disclaimer

To ensure compliance with the recently issued U.S. Treasury Circular 230 Notice, unless otherwise expressly indicated, any tax advice contained in this communication, or attachments thereto, was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending any tax-related matter addressed herein.



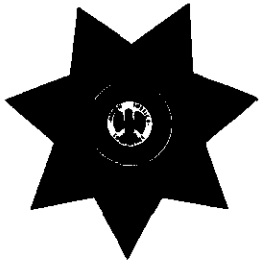
results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 19, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods for measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Marshal, City Court of Lafayette's basic financial statements. The individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Information contained in the individual nonmajor fund financial statements has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*
WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

January 24, 2006



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Marshal, City Court of Lafayette
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MANAGEMENT'S DISCUSSION AND ANALYSIS

As executive officer of the Lafayette City Court, I offer this overview and analysis of the financial activities of special funds of the Lafayette City Marshal's office for the fiscal year ended October 31, 2005.

These special funds are generated by authority of:

- Louisiana Revised Statutes Title 13:899 (C)
- Louisiana Code of Criminal Procedure Article 887 (H)
- Louisiana Revised Statutes Title 15:571.11 (L)(3)(c)
- Louisiana Revised Statutes Title 40:2616 (B)(3)(c)
- Federal Equitable Sharing Program

These funds may be used to defray operational expenses of the office of Marshal of the court, all as may be useful and necessary for the proper conduct of the Marshal's office, or for purchase of law enforcement equipment, and all as may be proved by the Marshal.

Financial Highlights

- Assets of the Marshal's special funds exceeded its liabilities at the close of the fiscal year October 31, 2005.
- The Marshal began fiscal year 2004/2005 with \$309,904 cash on hand.
- The Marshal ended fiscal year 2004/2005 with \$422,547 cash on hand.
- As of the close of the current fiscal year, the Marshal's funds reported combined ending fund balance of \$450,081 an increase of \$123,793 in comparison with the prior year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Marshal, City Court of Lafayette's basic financial statements. The Marshal's basic financial statements are comprised of three components: 1) *Government-wide Financial Statements*, 2) *Fund Financial Statements*, and 3) *Notes to the Financial Statements*. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *Government-wide Financial Statements* are designed to provide readers with a broad overview of the Marshal's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the Marshal's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* may serve as a useful indicator of whether the financial position of the Marshal is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's *net assets* changed during the most recent fiscal year. All changes in *net assets* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the *Government-wide Financial Statements* distinguish functions of the Marshal that are principally supported by a percentage of court costs and bond forfeitures (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through charges (*business-type activities*). The *governmental activities* of the Marshal include general government expenses incurred in the Marshal's mission. The Marshal had no *business-type activities* to report.

The *Government-wide Financial Statements* can be found on pages 8 and 9 of this report. The *Governmental Fund Financial Statements* can be found on pages 10 and 11 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Marshal, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Marshal can be divided into two categories: *governmental funds* and *fiduciary funds*.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the *Government-wide Financial Statements*. However, unlike the *Government-wide Financial Statements*, *Governmental Fund Financial Statements* focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of *governmental funds* is narrower than that of the *Government-wide Financial Statements*, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the *Government-wide Financial Statements*. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the *Governmental Funds Balance Sheet* and the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* provide a reconciliation to facilitate this comparison between *governmental fund* and *governmental activities*.

The Marshal maintains three individual *governmental funds*. Information is presented separately in the *Governmental Fund Balance Sheet* and in the *Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund and the special revenue funds. The general fund is considered by the Marshal to be its major fund.

The Marshal adopts an annual budget for its general fund. A budgetary comparative statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. *Fiduciary funds* are not reflected in the *Government-wide Financial Statement* because the resources of those funds are not available to support the Marshal's own program.

The basic *Fiduciary Fund Financial Statements* can be found on page 12 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the *Government-wide and Fund Financial Statements*. The notes to the financial statements can be found on pages 13 through 19 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Marshal, assets exceeded liabilities at the close of the two most recent fiscal years.

Marshal, City Court of Lafayette
Net Assets

	<u>Government Activities</u>	
	<u>2005</u>	<u>2004</u>
Current and Other Assets	\$ 453,099	\$ 334,921
Non-Current Assets	126,300	119,414
Total Assets	579,399	454,335
Short-Term Liabilities Outstanding	3,018	8,633
Net Assets:		
Invested in Capital Assets	126,300	119,414
Unrestricted	450,081	326,288
Total Net Assets	576,381	445,702

At the end of the current fiscal year, the Marshal is able to report positive balance in net assets. The same is true for the prior fiscal year.

Governmental activities. Governmental activities increased the Marshal's net assets 2005 and 2004 by \$129,721 and \$117,974 respectively. Key elements of these increases are as follows:

Marshal, City Court of Lafayette
Changes in Net Assets

	<u>Government Activities</u>	
	<u>2005</u>	<u>2004</u>
Revenues:		
Program Revenues:		
Charges	\$ 327,617	\$ 329,132
General Revenues:		
Interest	958	262
Total Revenues	328,575	329,394
Expenses:		
General Government	197,896	211,420
Increase in Net Assets	130,679	117,974
Net Assets - Beginning	445,702	327,728
Net Assets - Ending	576,381	445,702

Financial Analysis of Government's Funds

As noted earlier, the Marshal uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Marshal's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Marshal's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

General Fund Budgetary Highlights

The Marshal prepares an annual budget for the general fund. This budget includes the assets on hand as of November 1 of the current year, and includes anticipated revenues generated by Louisiana Revised Statutes Title 13:1899 (C). Anticipated revenues from the four other sources cannot be estimated due to reasons beyond the control of the Marshal and existing laws and circumstances.

A monthly income/financial report and a monthly budget report are prepared by the Marshal. This report provides an overview of each line item in the budget, providing the budgeted amounts, the current month expense, the year-to-date expenses and the unencumbered funds to date. Budget revisions are prepared and transfer of funds, to increase or decrease funds in each line item are reported.

Differences between the original budget and the final amended budget can be summarized as follows:

- \$16,532 increase in general government expenditures

The increase in this category was funded by current year net assets.

Capital Assets

Capital assets. The Marshal's investment in capital assets for its governmental activities as of October 31, 2005 and 2004, amounts to 126,300 and \$119,414 respectively (net of accumulated depreciation). This investment in capital assets includes equipment, and furniture and fixtures.

Major capital asset events during the current fiscal year included the following:

- Computer equipment acquired at a cost of \$1,540.
- Camera equipment acquired at a cost of \$14,030.
- Radio equipment was acquired at a cost of \$8,732.
- Office furniture acquired at a cost of \$1,200.

Economic Factors and Next Year's Budget

The Communications District (911) provided Mobile Data Terminals for the Marshal's units at no cost to the Marshal. This communications equipment has begun to show age and usage and replacement by laptop computers has begun. The cost for these computers and the software to replace the Mobile Data Terminals will be borne by the Marshal. The cost of these computers is estimated to range from \$6,000 to \$8,000, each. Replacement may cost this office between \$48,000 and \$64,000 in total, and was begun in fiscal year 2003/2004, continued into the 2004/2005 fiscal year and projected to continue into subsequent periods.

Requests for Information

This financial report is designed to provide a general overview of the Lafayette City Marshal's finances for all those with an interest in the Marshal's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Earl J. "Nickey" Picard, Marshal, Lafayette City Court, Post Office Box 3344, Lafayette, Louisiana 70502.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

**STATEMENT OF NET ASSETS
OCTOBER 31, 2005**

ASSETS

Current Assets:

Cash	\$ 422,547
Accounts Receivable	30,552
Total Current Assets	<u>453,099</u>

Non-Current Assets:

Capital Assets net of Accumulated Depreciation	<u>126,300</u>
Total Non-Current Assets	<u>126,300</u>

TOTAL ASSETS	<u>579,399</u>
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LIABILITIES

Accounts Payable	3,018
Pending Forfeitures	<u>-</u>

TOTAL LIABILITIES	<u>3,018</u>
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NET ASSETS

Invested in Capital Assets	126,300
Unrestricted	<u>450,081</u>

TOTAL NET ASSETS	<u>\$ 576,381</u>
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The Accompanying Notes are an Integral Part of This Statement.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OCTOBER 31, 2005**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges</u>	<u>Governmental Activities</u>
Government Activities:			
General Government	\$ <u>197,896</u>	\$ <u>327,617</u>	\$ <u>129,721</u>
Total Governmental Activities	<u>197,896</u>	<u>327,617</u>	<u>129,721</u>
General Revenues:			
Interest			<u>958</u>
Total General Revenues			<u>958</u>
Change in Net Assets			130,679
Net Assets, Beginning			<u>445,702</u>
Net Assets, Ending			<u>\$ 576,381</u>

The Accompanying Notes are an Integral Part of This Statement.

FUND FINANCIAL STATEMENTS (FFS)

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

**BALANCE SHEET - GOVERNMENTAL FUNDS
OCTOBER 31, 2005**

	<u>GENERAL FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS			
Cash	\$ 377,001	\$ 45,546	\$ 422,547
Accounts Receivable	<u>30,552</u>	<u>-</u>	<u>30,552</u>
TOTAL ASSETS	<u><u>\$ 407,553</u></u>	<u><u>\$ 45,546</u></u>	<u><u>\$ 453,099</u></u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 3,018	\$ -	\$ 3,018
Pending Forfeitures	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>3,018</u>	<u>-</u>	<u>3,018</u>
FUND BALANCES			
Fund Balances			
Unreserved, reported in:			
General Fund	404,535	-	404,535
Special Revenue Funds	<u>-</u>	<u>45,546</u>	<u>45,546</u>
TOTAL FUND BALANCES	<u>404,535</u>	<u>45,546</u>	<u>450,081</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 407,553</u></u>	<u><u>\$ 45,546</u></u>	<u><u>\$ 453,099</u></u>

Amounts reported for governmental activities in the statement of net assets are different because:

Total Fund Balances	\$ 450,081
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	<u>126,300</u>
Net assets of governmental activities	<u><u>\$ 576,381</u></u>

The Accompanying Notes are an Integral Part of This Statement.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2005

	<u>GENERAL</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES			
Bond Forfeitures	\$ 19,477	\$ -	\$ 19,477
Drug Seizures	-	-	-
Equitable Sharing Receipts	-	-	-
Fees and Commissions	308,140	-	308,140
Interest	<u>630</u>	<u>328</u>	<u>958</u>
Total Revenues	<u>328,247</u>	<u>328</u>	<u>329,394</u>
EXPENDITURES			
Current:			
General Government	169,238	383	169,621
Capital Outlay	<u>35,161</u>	<u>-</u>	<u>35,161</u>
Total Expenditures	<u>204,399</u>	<u>383</u>	<u>204,782</u>
EXCESS OF REVENUES OVER EXPENDITURES	123,848	(55)	123,793
FUND BALANCE-BEGINNING	<u>280,687</u>	<u>45,601</u>	<u>326,288</u>
FUND BALANCE-ENDING	<u>\$ 404,535</u>	<u>\$ 45,546</u>	<u>\$ 450,081</u>

Amounts reported for governmental activities in the statement
of activities are different because:

Net change in fund balances - total governmental funds	\$ 123,793
Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	<u>6,886</u>
Changes in net assets of governmental activities	<u>\$ 130,679</u>

The Accompanying Notes are an Integral Part of This Statement.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
STATEMENT OF ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED OCTOBER 31, 2005

GARNISHMENT FUND

ASSETS

Cash	<u>\$ 197</u>
TOTAL ASSETS	<u><u>\$ 197</u></u>

LIABILITIES

Garnishments	<u>\$ 197</u>
TOTAL LIABILITIES	<u><u>\$ 197</u></u>

The Accompanying Notes are an Integral Part of This Statement.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2005

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity - The Marshal - City Court of Lafayette, Louisiana (the Marshal) is a component unit of the City/Parish Consolidated Government of Lafayette, Louisiana. The Marshal is an elected official and serves six-year terms. The Marshal is charged with the responsibility of conducting policing and security functions for the City Court of Lafayette, Louisiana. Operations of the Marshal's office are funded by court costs charged by the City Court of Lafayette, Louisiana attributable to the performance of the Marshal's duties and to a Federal Equitable Sharing Agreement with the United States Federal government.

The Marshal - City Court of Lafayette, Louisiana prepares its financial statements in accordance with the standards established by the Governmental Accounting Standards Board (GASB). GASB 14 has defined the governmental reporting entity to be the City/Parish Consolidated Government of Lafayette, Louisiana. The accompanying statements present only transactions of the Marshal - City Court of Lafayette, Louisiana, a component unit of the City/Parish Consolidated Government of Lafayette, Louisiana.

Annually the City/Parish Consolidated Government of Lafayette, Louisiana issues financial statements which should include presentation of the activities contained in the accompanying financial statements.

Basis of Presentation - The accompanying basic financial statements of the Lafayette Parish Communication District have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments", issued in June 1999.

Basic Financial Statements-Government-Wide Financial Statements (GWFS) -

The Marshal's basic financial statements include both government-wide (reporting the Marshal as a whole) and fund financial statements (reporting the Marshal's major fund). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. All of the Marshal's activities are classified as governmental activities.

In the government-wide Statement of Net Assets, the governmental activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Marshal's net assets are reported in three parts--invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Marshal first utilizes restricted resources to finance qualifying activities.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2005

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basic Financial Statements-Government-Wide Financial Statements (GWFS) - continued

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include bond forfeitures, drug seizures, equitable sharing receipts and fees and commissions. Revenue not properly included among program revenues are reported instead as *general revenues*.

This government-wide focus is more on the sustainability of the Marshal as an entity and the change in the Marshal's net assets resulting from the current year's activities.

Basic Financial Statements-Fund Financial Statements (FFS) –

The financial transactions of the Marshal are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Marshal:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Marshal:

General Fund - This type of fund is the general operating fund of the Marshal. The General Fund is financed through court costs and commissions as well as bond forfeitures earned by the Marshal. Resources of the fund are used to supplement the cost of operating the Marshal's office.

Special Revenue Funds - This type of fund is used to account for the Marshal's revenues which are legally restricted for use in drug enforcement and education. This fund is financed through a sixty percent (60%) allocation of monies seized in drug related arrests and a Federal Equitable Sharing Agreement with the United States Departments of Justice and the Treasury sharing forty percent (40%) of available amounts with participating local law enforcement agencies.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2005

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Fiduciary Funds

Agency Fund - This fund is used to account for assets held by the Marshal as agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The Agency Fund is used for the collection of court-ordered judgments. The Marshal charges an administrative fee and remits all other funds to the respective creditors.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. The general fund is the only major fund of the Marshal.

Basis of Accounting - Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

The Agency Fund is prepared on the cash basis of accounting which approximates the modified accrual basis of accounting.

Capital Assets - Capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2005

(A) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Office Equipment	5
Computer Equipment	5
Radio Equipment	10
Furniture and Fixtures	10

Budgets and Budgetary Accounting - The Marshal - City Court of Lafayette, Louisiana is required to adopt an annual budget for the General Fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP") of the United States of America.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- a. Each year, prior to November 1, the Marshal prepares and adopts a budget for the succeeding fiscal year. The budget includes proposed expenditures and the means of financing them.
- b. The budget must be revised and approved by the Marshal for any increase in budgetary expenditures.
- c. All budgetary appropriations lapse at the end of each fiscal year.

Cash and Interest-Bearing Deposits - Cash and interest-bearing deposits are stated at cost, which approximates market.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles of the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2005

(B) EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances-total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$6,886 difference are as follows:

Depreciation Expense	\$ (28,275)
Capital Outlay	<u>35,161</u>
Net Adjustment to Increase <i>Net Changes in Fund Balances-Total Governmental Funds</i> to Arrive at <i>Changes in Net Assets of Governmental Activities</i>	<u>\$ 6,886</u>

(C) CASH

The Marshal maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. As of October 31, 2005, the total cash at one bank exceeded FDIC limits by \$99,872, which was secured by the bank under an umbrella arrangement with the City Court of Lafayette.

(D) ACCOUNTS RECEIVABLE

The Marshal's daily operations are financed through court costs and commissions as well as bond forfeitures earned from providing services to the City Court of Lafayette, Louisiana, a component unit of the City/Parish Consolidated Government of Lafayette, Louisiana. Amounts due to the Marshal for rendering such services totaled \$30,552 at October 31, 2005.

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2005

(E) CAPITAL ASSETS

A summary of general fixed assets follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Being Depreciated:				
Equipment	\$ 184,681	\$ 33,961	\$ -	\$ 218,642
Furniture and Fixtures	56,887	1,200	-	58,087
Total Capital Assets Being Depreciated	<u>241,568</u>	<u>35,161</u>	<u>-</u>	<u>276,729</u>
Less Accumulated Depreciation for:				
Equipment	87,498	22,486	-	109,984
Furniture and Fixtures	34,656	5,789	-	40,445
Total Accumulated Depreciation	<u>122,154</u>	<u>28,275</u>	<u>-</u>	<u>150,429</u>
Total Capital Assets, Being Depreciated, Net	<u>\$ 119,414</u>	<u>\$ 6,886</u>	<u>\$ -</u>	<u>\$ 126,300</u>

(F) OPERATING LEASES

Included in automobile expenditures are monthly vehicle lease payments. The lease is a forty-eight (48) month operating lease requiring lease payments of \$529 per month beginning January 1, 2004 and expiring December 31, 2007. Future minimum payments under the lease are as follows:

YEAR ENDED OCTOBER 31:

2006	\$ 6,348
2007	6,348
2008	<u>1,058</u>
Total	<u>\$ 13,754</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2005

(F) OPERATING LEASES – continued...

Included in postage expenditures are monthly postage machine lease payments. The lease is a sixty-three (63) month operating lease requiring lease payments of \$798, including 9.3% interest, per quarter beginning October 1, 2005 and expiring December 31, 2010. Future minimum payments under the lease are as follows:

YEAR ENDED OCTOBER 31:

2006	\$ 3,192
2007	3,192
2008	3,192
2009	3,192
2010	3,192
2011	<u>798</u>
Total	<u>\$ 16,758</u>

(G) EXPENDITURES OF THE CITY MARSHAL'S OFFICE PAID BY THE PARISH GOVERNMENT

The Marshal's administrative office is located in a building owned by the Lafayette Parish Consolidated Government. The cost of maintaining and operating this building, as required by statute, is paid by the Lafayette Parish Government. These expenditures are not included in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED OCTOBER 31, 2005**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET FAVORABLE (UNFAVORABLE)</u>
REVENUES				
Bond Forfeitures	\$ -	\$ -	\$ 19,477	\$ 19,477
Fees and Commissions	300,000	300,000	308,140	8,140
Interest	-	-	630	630
Total Revenues	<u>300,000</u>	<u>300,000</u>	<u>328,247</u>	<u>28,247</u>
EXPENDITURES				
CURRENT-				
General Government:				
Salaries and Overtime	45,000	45,000	30,527	14,473
Accounting	6,000	6,000	4,400	1,600
Ammunition	7,000	7,000	5,336	1,664
Automobile Expenses	6,600	6,600	6,347	253
Badges	1,000	1,000	-	1,000
Belts and Holsters	1,000	2,115	2,047	68
Bullet Proof Vests	2,000	885	-	885
Clothing Allowance	15,000	14,068	12,000	2,068
Dues and Subscriptions	1,500	1,500	1,305	195
Explorer Post 1015	1,500	1,500	1,337	163
Handcuffs and Cases	500	500	392	108
Maintenance and Supplies	24,500	25,819	14,816	11,003
Miscellaneous	5,000	1,846	1,035	811
Nightsticks	500	500	140	360
Office Expense	8,000	12,231	11,031	1,200
Photographs and Equipment	2,500	2,500	595	1,905
Postage	9,000	9,000	6,867	2,133
Printing and Binding	5,000	5,000	4,548	452
Prisoner Transportation	6,000	6,000	2,126	3,874
Reference Books and Publications	8,000	8,063	6,861	1,202
Telephone	25,000	25,000	20,600	4,400
Training and Seminars	8,000	5,000	4,381	619
Transportation	10,000	24,412	25,214	(802)
Travel and Meetings	2,000	2,000	257	1,743
Uniforms	5,000	5,000	1,781	3,219
Weapons	9,600	9,599	5,295	4,304
Capital Outlay	<u>120,000</u>	<u>90,530</u>	<u>35,161</u>	<u>55,369</u>
Total Expenditures	<u>335,200</u>	<u>318,668</u>	<u>204,399</u>	<u>114,269</u>
EXCESS (DEFICIENCY) OF REVENUES EXPENDITURES	<u>(35,200)</u>	<u>(18,668)</u>	<u>123,848</u>	<u>31,466</u>
FUND BALANCE-BEGINNING	<u>280,687</u>	<u>280,687</u>	<u>280,687</u>	<u>156,788</u>
FUND BALANCE-ENDING	<u>\$ 245,487</u>	<u>\$ 262,019</u>	<u>\$ 404,535</u>	<u>\$ 188,254</u>

See Accountants' Report

OTHER SUPPLEMENTARY INFORMATION

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
OCTOBER 31, 2005

		SPECIAL REVENUE FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
		EQUITABLE SHARING	DRUG ENFORCEMENT	
ASSETS				
Cash		\$ 1,951	\$ 43,595	\$ 45,546
Accounts Receivable		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS		<u>\$ 1,951</u>	<u>\$ 43,595</u>	<u>\$ 45,546</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable		\$ -	\$ -	\$ -
Pending Forfeitures		<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES		-	-	-
FUND BALANCE				
Fund Balance				
Unreserved		<u>1,951</u>	<u>43,595</u>	<u>45,546</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>\$ 1,951</u>	<u>\$ 43,595</u>	<u>\$ 45,546</u>

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED OCTOBER 31, 2005

	SPECIAL REVENUE FUNDS		TOTAL NONMAJOR GOVERNMENTAL FUNDS
	EQUITABLE SHARING	DRUG ENFORCEMENT	
REVENUES			
Drug Seizures	\$ -	\$ -	\$ -
Interest	-	328	328
Total Revenues	-	328	328
EXPENDITURES			
CURRENT-			
General Government:			
Miscellaneous	-	383	383
Capital Outlay	-	-	-
Total Expenditures	-	383	383
EXCESS OF REVENUES OVER EXPENDITURES	-	(55)	(55)
FUND BALANCE-BEGINNING	1,951	43,650	45,601
FUND BALANCE-ENDING	\$ 1,951	\$ 43,595	\$ 45,546

See Accountants' Report

COMPLIANCE AND INTERNAL CONTROL

WRIGHT, MOORE, DeHART, DUPUIS & HUTCHINSON, L.L.C.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Marshall
City Court of Lafayette, Louisiana
Lafayette, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Marshal, City Court of Lafayette as of and for the year ended October 31, 2005, which collectively comprise the District's basic financial statements and have issued our report thereon dated January 24, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of Louisiana Revised Statutes 24:513 and the Louisiana Governmental Audit Guide.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Marshal, City Court of Lafayette's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Circular 230 Disclaimer

To ensure compliance with the recently issued U.S. Treasury Circular 230 Notice, unless otherwise expressly indicated, any tax advice contained in this communication, or attachments thereto, was not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code, or (ii) promoting, marketing, or recommending any tax-related matter addressed herein.

WMDDH

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marshal, City Court of Lafayette's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations and contract agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

*Wright, Moore, DeHart,
Dupuis & Hutchinson, LLC*

WRIGHT, MOORE, DEHART,
DUPUIS & HUTCHINSON, L.L.C.
Certified Public Accountants

January 24, 2006

MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED OCTOBER 31, 2005

We have audited the financial statements of the Marshal - City Court of Lafayette, Louisiana as of and for the year ended October 31, 2005, and have issued our report thereon dated January 24, 2006. We conducted our audit in accordance with generally accepted auditing standards of the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States. Our audit of the financial statements of October 31, 2005 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. *Report on Internal Control and Compliance Material to the Financial Statements*

Internal Control

Material Weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reportable Conditions	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Compliance

Compliance Material to Financial Statements	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Section II Financial Statement Findings

No Current Year Findings.

Section III Federal Award Findings and Questioned Costs

This section is not applicable for the year ended October 31, 2005.

**MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA**

**SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED OCTOBER 31, 2005**

There were no prior year findings

**MARSHAL - CITY COURT OF LAFAYETTE, LOUISIANA
A COMPONENT UNIT OF THE CITY/PARISH CONSOLIDATED GOVERNMENT OF
LAFAYETTE, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED OCTOBER 31, 2005**

No current year findings were noted, therefore no response was deemed necessary.